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CONTENTS

(Continued on following page)

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CONTENTS

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U. K. INCREASES TOBACCO DUTIES

On April 5, 1960, the United Kingdom increased tobacco customs and excise duties by 3s. 4d. (about 47 cents) per pound. The increase is expected to yield an additional £ 39 million (U.S. $109 million) this year in revenue.

The duty on imports of U. S. tobacco had been equivalent to $8.56 per pound. It is now equivalent to $9.03 per pound--$9,030 on a 1,000-pound hogshead.

NEW CIGARETTE FACTORY OPENS IN COSTA RICA

A third major tobacco factory in Costa Rica began production of cigarettes on March 12. Cigarettes are being manufactured at an annual rate of nearly 300 million pieces--mostly from imported leaf. The factory is owned by the Compania Costarricense de Tabaco, S.A., and is located at Cartago.

In 1959, Costa Rica imported a total of 190,000 pounds of leaf tobacco; all but 15,000 pounds were of U.S. origin.

ITALIAN LEAF TOBACCO EXPORTS STEADY

Italy's leaf tobacco exports, at 25.9 million pounds in 1959, were about the same as in 1958. West Germany was by far the most important market in 1959--taking 10.7 million pounds--38 percent more than in 1958. Switzerland and the Netherlands ranked next as markets for Italian leaf in 1959. The United States took about 2 million pounds.

Average 1959 prices for exports of leaf to specific countries, in terms of U.S. cents per pound, were as follows: West Germany, 45.1; Switzerland, 39.4; and the Netherlands, 56.8.

TOBACCO, LEAF: Italy, exports by country of destination, 1957-59

Destination	1957	1958	1959
	1,000 pounds	1,000 pounds	1,000 pounds
Germany, West	5,980	7,792	10,732
Switzerland	1,672	2,899	4,290
Netherlands	3,289	3,563	3,155
United States	3,639	3,821	2,083
Others	9,708	7,834	5,675
Total	24,288	25,909	25,935

Instituto centrale di statistica (Rome).

ARGENTINE LEAF TOBACCO EXPORTS DROP AGAIN IN 1959

Argentine exports of leaf tobacco in 1959 totaled 2.1 million pounds, compared with 3.8 million in 1958, and 7.4 million in 1957. Major markets last year included Belgium, Switzerland, French African possessions, Morocco, and West Germany.

U. S. MAINTAINS SHARE OF IRISH TOBACCO MARKET

The United States supplied 10.7 million pounds of Ireland's total tobacco imports in 1959. This represented 96 percent of the total--the same as in 1958. As in previous years, most of the remainder was imported from the Federation of Rhodesia and Nyasaland. Small quantities came from Canada and India.

Average prices paid for 1959 imports in terms of U. S. equivalents per pound were as follows for various sources: United States, 84.0 cents; Rhodesias-Nyasaland, 43.8 cents; Canada, 50.5 cents; and India, 28.1 cents.

FLUE-CURED TOBACCO SALES OPEN IN RHODESIA

Auction sales of 1960 flue-cured tobacco opened in Salisbury, Southern Rhodesia, on April 4. Prices averaged the equivalent of 26.8 U. S. cents per pound for the first 3 days of marketing, compared with 26.9 cents a year earlier. A total of 2.1 million pounds were sold this year in the opening days.

Most offerings were lower middle and low qualities of lugs and primings. Nondescript qualities accounted for about 17 percent of marketings. Growers appeared to be generally satisfied with opening prices, and less apprehensive about a return to the erratic buying pattern of early-season sales last year. For the full season, scheduled to end in October, sales are expected to amount to over 200 million pounds.

MEXICAN WINTER VEGETABLE SHIPMENTS, MARCH 16-31

The following winter vegetables from the west coast of Mexico crossed the border at Nogales, Arizona, during the period March 16-31, 1960 (in thousands of pounds): corn, 107; cucumbers, 573; garlic, .9; eggplant, 180; onions, 6; peas, 270; peppers, 1,794; squash, 52; tomatoes, 38,742; watermelons, 533; yams, .4; and string beans, 411.

In addition to the above vegetables, 235,000 pounds of strawberries crossed.

SOUTH AMERICAN CROPS REDUCED BY DROUGHT

Uruguay's important southwest agricultural area appears to have been particularly hard hit by the dry spell that has affected crops and pastures in parts of southern South America.

Although it is early for accurate predictions, recent reports indicate Uruguay's 1960 corn harvest may be 50 percent lower than the annual average for the last 5 years. Sunflower seed and other fall crops are also expected to be reduced. In addition, pastures are severely depleted in many areas and farmers have had difficulty in getting the soil ready for fall planting of small grains. Although about 110,000 short tons of feed grains are scheduled to be purchased from the United States under Public Law 480 for delivery by September 30, 1960, additional feed grain imports may be needed.

Chile was also hit by drought which reduced 1959-60 summer grain yields and affected fruit output and pasture conditions. In some areas near Concepción wheat production is estimated at 30 percent below normal. The government places 1960 wheat import needs at about 220,000 short tons.

Although the drought has been broken in the northern cereal-growing region of Argentina, the rain came too late to prevent injury to the 1959-60 corn crop. Latest estimates place it below the 1958-59 corn crop of 215,000,000 bushels. The 1959-60 sunflower seed crop should be somewhat larger than last year's extremely poor crop of 427,000 short tons.

U.S.S.R. AND COMMUNIST CHINA BUYING MORE AUSTRALIAN WOOL

The U.S.S.R. and Communist China have stepped up their buying of Australian wools this season (July-June). During the 8 months ending February 1960, the Soviet Union took 27.6 million pounds of greasy wool, whereas it took none last year. Trade relations between the U.S.S.R. and Australia were reestablished in 1959.

China also has been a more active buyer during this period, increasing its purchases from 3.9 to 6.0 million pounds. It is also the world's largest purchaser of wool tops. However, 1959 purchases of tops were 14 percent below 1958 as imports of raw wool increased.

As a result of the increased demand by these and other markets, particularly Japan, prices of good fleece wools during the week ending April 8 continued their upward trend which began about the middle of March. Wool prices in general have largely recovered the losses suffered during February--especially the medium to low grades. The higher-quality fleece wools, which are becoming more scarce, have been particularly strong. Heavy buying by Communist China during the week was reportedly due to the urgent need to complete a cargo sailing for Shanghai.

CANADIAN GOVERNMENT RELEASES CANNED PORK FOR COMMERCIAL SALE

On April 18, the Canadian Agricultural Stabilization Board released government-owned canned pork luncheon meat for domestic sale. The board will market its stocks of 80 million pounds gradually and at selected times to prevent depression of hog prices.

While it is planned to market the pork on the Canadian market, some may be offered to U.S. buyers. In this event, shipments will be made under the export control act which requires the exporter to purchase the product at a price reflecting the current government guaranteed price. If the exporter sells his own stocks, he must replace them with purchases from the government, also at the price reflecting the guaranteed level.

Present Canadian prices are very close to U.S. prices and it is not expected that much of this pork will reach the United States in the near future.

COMMON MARKET TARIFFS MAY AFFECT EXPORTS OF LIVESTOCK PRODUCTS

The formation of the European Common Market (EEC) by Belgium, France, West Germany, Italy, the Netherlands, and Luxembourg will result in a new common external tariff for these 6 countries. These new tariffs may have considerable effect on U.S. exports of livestock products (see Foreign Agriculture, February 1959 for a more detailed analysis of internal and external tariffs).

Data in the table below show the relative importance of U. S. trade in selected livestock products with the Common Market, and the proposed external tariff rates for those items. Present external tariffs of the member countries will be gradually adjusted to these rates beginning January 1, 1962.

Products which may lose ground in the Common Market because of a high external duty rate are lard, fatback, and variety meats. Exports of products which have a low or free external tariff (such as inedible tallow and greases for industrial uses, sausage casings, bovine hides and skins, and mohair) may increase, however, if the overall level of trade rises as expected. The impact of tariff changes on U.S. exports of livestock products will depend ultimately on the results of tariff negotiations with the EEC now scheduled to begin in September 1960 in Geneva.

Practically all of the lard shipped to the Common Market goes to West Germany. The present duty for lard remelted in West Germany is 10-percent plus a 4-percent turnover tax. Principal markets for U.S. inedible tallow and greases are Italy, the Netherlands, and West Germany. There is a 12-percent West German duty on these, but none in the other 2 countries.

The Netherlands and West Germany are substantial markets for U.S. salted and cured pork--mostly fatback. The West German duty on fatback is now 10-percent and the Benelux duty is 12-percent. These countries, too, are the principal Common Market importers of variety meats. The present duty on most variety meats in both countries is 10-percent.

The gradual elimination of internal tariffs within the Market will also have an adverse effect on exports of lard and fatback. Principal competitors of the United States are countries within the EEC who will eventually have duty-free access to the West German and Netherlands market for these products. The Common Market is a lard surplus area; it is a small net importer of carcass pork, and is a substantial net importer of beef, tallow, and greases.

LIVESTOCK PRODUCTS: U.S. exports of selected products to Common Market countries and proposed Common Market duty

Item	U.S. exports - 1959				Common market duty 1/
	Total	To Common Market			
		Quantity	% of total	Value	
	Mil. lb.	Mil. lb.	Percent	Mil. dol.	Percent
Edible lard	604.2	41.7	7	4.8	20
Edible tallow	12.9	0	0	0	10
Inedible tallow	1,328.4	606.4	46	44.3	2
Other inedible animal fats 2/	135.9	94.7	70	7.4	4
Beef and veal	27.4	--	--	--	20
Pork, total	70.9	5.4	8	.7	20
Salted and cured 3/	12.4	4.7	38	.6	22
Variety meats	91.3	72.5	79	14.9	4/ 20
Sausage casings	18.4	6.0	33	2.5	Free
Mohair	18.6	6.9	37	8.1	Free
Hides and skins:	1,000 pcs.	1,000 pcs.			
Cattle	4,096	1,283	31	13.6	Free
Calf and kip	1,897	797	42	5.6	Free

1/ Based on unofficial translation. 2/ Mainly hog grease. 3/ Includes fatback. 4/ Beef and pork offals.

GOVERNMENT AID ENCOURAGES
FINNISH PORK EXPORTS

During 1959, Finland shipped 2.6 million pounds of pork worth almost $1,046,000 (f.o.b. Finland). Of this total value, about $448,000 was government export payments. In 1958, when government export payments were higher, 3.9 million pounds of pork were exported.

Government payments cover the difference between the price obtained from foreign buyers by Finnish exporters and the price guaranteed to exporters by the government. This guaranteed price is usually the wholesale price in Finnish markets.

Principal destinations of the 1959 pork exports were West Germany, a potential U.S. pork market (1.6 million pounds), and Czechoslovakia (692,000) and Poland (249,165 pounds)--pork exporters to the United States.

SMALLER INDIAN CASHEW SUPPLY
FORECAST FOR 1960

The total 1960 supply of raw cashew nuts in India is forecast at 186,700 short tons, a 24,000-ton reduction from the large 1958 supply and 4,300 tons below 1959.

CASHEWS: India, supply and distribution, annual 1958 and 1959 and forecast 1960

Item	1958	1959	Forecast 1960
	Short tons	Short tons	Short tons
Beginning stocks	2,900	22,600	7,700
Production 1/	73,000	62,000	67,000
Imports	134,800	106,400	112,000
Total supply	210,700	191,000	186,700
Domestic consumption and other disappearance	5,600	5,600	6,700
Exports 2/	1,749,212	1,583,200	1,600,000
Ending stocks	22,600	7,700	1,000

1/ Does not include any allowance for Portuguese Goa.
2/ Kernels in 50-lb. cases; 1 short ton of raw nuts yields about 469 pounds of packed kernels.

India's 1960 production of raw cashews, forecast at 67,000 tons, is 5,000 tons larger than 1959 but 6,000 tons smaller than 1958.

Foreign Agriculture Service statistics on India's cashew production will no longer include production of Portuguese Goa. Since it has not been possible in recent years to obtain estimates of Goan production, FAS has been including arbitrary allowances for Goa. The revised statistics for cashew production of India alone for the 10-year period 1950-59 are as follows:

Year	Short tons	Year	Short tons
1950	56,000	1955	73,000
1951	67,000	1956	74,000
1952	63,000	1957	73,000
1953	59,000	1958	73,000
1954	62,000	1959	62,000

Indian imports of African raw cashews this season are expected to reach about 112,000 tons, an increase of 5,600 tons over 1959 but much smaller than the extra-large 1958 imports of 134,800 tons. In early February, an estimated 62,000 tons of African nuts were reported in the hands of processors on the Malabor Coast, in south India.

Exports of cashew kernels this year are expected to be about the same as in 1959, about 1,600,000 cases of 50-lb. each. The U.S.S.R. and East Germany have become increasingly important customers and are expected to buy more cashews in 1960 than in previous years. The United States, however, continues to be the main market. Cashew kernels exported during 1959, according to the Indian trade, totaled 1,583,200 cases (1,749,212 cases the year before). The 1959 kernel exports by destination were reportedly as follows:

Country	50-lb. net cases
United States..................	1,102,403
Canada.........................	50,250
Germany, East..................	72,830
U.S.S.R.	184,211
United Kingdom.................	93,827
Others.........................	79,679
Total......................	1,583,200

The Indian trade expects prices for both the raw nuts and kernels to remain firm throughout the year because of the relatively small supply in relation to the anticipated strong demand. Indian trade sources report that on February 1, African raw cashew nuts were quoted at 7.5 cents per pound c.i.f. Cochin, compared with 6.3 cents in 1959.

For the first week in April, the wholesale price of cashews--whole, fancy, 300-320s--at New York City was quoted at 56.5 cents per pound, compared with 51.0 cents in 1959.

GUATEMALA PROHIBITS RECONSTITUTION OF POWDERED MILK

The Guatemalan Government recently prohibited the use of powdered milk in making a reconstituted product for sale as natural, whole milk. Reconstitution of all other dairy products was prohibited at the same time.

IRAN TO HAVE NEW MILK PLANT

A private U.S.-Iranian corporation plans to build a milk plant in Tehran, Iran, and expects to have the plant in operation this summer or fall.

The plant will have a capacity of about 6,500 gallons per 8-hour shift and will produce yoghurt, ice cream, and other novelty products, as well as fluid milk. For fluid milk production, the plant will use any suitable local milk available and supplement this with recombined milk products. Imported nonfat dry milk and other imported ingredients will be used in the other products.

BRAZIL'S COCOA BEAN EXPORTS DOWN, PRODUCTS UP

Brazil's cocoa bean exports during calendar 1959 amounted to 175.4 million pounds, down 23.5 percent from the 229.3 million pounds exported in 1958. The United States was by far the largest buyer in both years, followed by Germany and the Netherlands. Brazil exported 77.6 million pounds of cocoa beans to the United States in 1959, and 100.7 million pounds in 1958.

Cocoa product exports from Brazil increased from 69.4 million pounds in 1958 to 101.6 million in 1959. This was due primarily to cocoa cake and powder exports to the United States; they totaled 45.2 million pounds in 1959, in contrast to only 4.5 million in 1958. The Netherlands and the United Kingdom ranked second and third as markets for Brazil's cocoa products last year.

U.S.S.R. COMPLETES CUBAN SUGAR PURCHASE COMMITMENT FOR 1960

On March 31, 1960, Cuba sold 425,000 Spanish long tons (about 483,000 short tons) of raw sugar to the U.S.S.R. at 3.06 cents per pound, to be delivered in 1960. This sale, plus earlier sales in 1960 and in 1959 for 1960 delivery, completes the 1-million-ton commitment of the U.S.S.R. for purchase and delivery this year under the trade agreement between the two countries.

Up to the same date this year, Cuba had also sold 290,000 Spanish long tons (about 329,000 short tons) of raw sugar to Mainland China, Poland, and East Germany.

ARGENTINA REDUCES RICE ACREAGE

Argentina's first official estimate of rice acreage planted in 1959-60 is 150,000 acres--down 10 percent from 166,000 acres in 1958-59. With average yields per acre, this season's harvest (March-April) should exceed last year's crop, which was reduced because of floods.

AUSTRALIA'S RICE EXPORTS SET RECORD

Australia's record exports of 1,145,000 cwt. of rice in 1959 were 200,000 cwt. more than in 1958, and 375,000 cwt. above average in 1954-57.

Milled rice--60 percent of exports--was shipped mainly to the United Kingdom, Australian territories, and British Pacific Islands. Around 266,000 cwt. of brown rice went chiefly to the Australian territories; the principal markets for broken rice were Canada and the United Kingdom.

AUSTRALIA: Rice exports, by classification and by country of destination, calendar year 1959

Destination	Brown	Milled	Broken	Total
	Cwt.	Cwt.	Cwt.	Cwt.
Arabian States	0	10,145	0	10,145
Australian territories	220,284	140,236	1,232	361,752
British Pacific Islands	3,232	138,820	20,297	162,349
Canada	33,787	16,017	72,423	122,227
New Caledonia	0	21,470	248	21,718
Other Pacific Islands	134	17,168	645	17,947
Hong Kong	0	16,969	0	16,969
Japan	0	0	23,650	23,650
Jordan	0	22,400	0	22,400
Lebanon	0	40,957	0	40,957
Netherlands	2,225	0	10,760	12,985
Netherlands New Guinea	0	33,889	22	33,911
New Zealand	447	42,269	7,970	50,686
United Kingdom	5,600	183,256	49,936	238,792
Other countries	672	4,612	3,360	8,644
Total	266,381	688,208	190,543	1,145,132

Commonwealth Bureau of Census and Statistics.

U.S. GRASS AND LEGUME SEED EXPORTS 15 PERCENT OVER LAST YEAR'S

U.S. exports of grass and legume seeds during July-February amounted to 33,341,000 pounds, compared with 29,105,000 pounds during the same period last crop year. "Other" grasses show the largest increase, while alfalfa, ladino clover, bentgrass, fescue, and timothy exports are slightly above last year's. During February, the largest shipments went to Canada, France, Italy, and West Germany.

GRASS AND LEGUME SEEDS: U.S. exports, February 1960, with comparisons

Kind of seed	February		July 1-February 28	
	1959	1960	1958-59	1959-60
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Alfalfa, certified	574	703	4,237	4,485
Alfalfa, uncertified	686	434	3,722	3,706
Alfalfa, total	1,260	1,137	7,959	8,191
Alsike	0	33	387	334
Ladino	149	241	1,180	1,308
Clovers, other	426	103	3,227	2,727
Bentgrass	367	300	2,853	3,277
Fescue	236	258	3,223	3,533
Kentucky bluegrass	296	42	1,663	318
Orchard	21	6	329	98
Redtop	47	48	378	308
Timothy	469	530	2,339	2,693
Grasses, other	285	1,512	5,567	10,554
Total	3,556	4,210	29,105	33,341

CANADA REPORTS SMALLER MARCH 31 GRAIN STOCKS

Canada's March 31 grain stocks were again reduced in 1960, the third successive year of smaller stocks, but were still above the 1950-59 average. Total stocks of wheat, oats, barley, and rye totaled 29.5 million short tons, compared with 31.3 million tons in 1959. Most of the reduction was in wheat.

Current wheat stocks of 685 million bushels are the smallest since 1955 and are 24 percent below the March 1957 record of 904 million bushels. Farm stocks for 1960 are estimated at 318 million bushels and include more than 50 million bushels of unthreshed wheat which remained in the fields during the winter and which farmers expected to be able to harvest this spring.

Rye stocks in all positions are estimated at 10.6 million bushels, slightly below the 1959 stocks of 11.8 million and well below the 10-year average of 18.1 million.

Stocks of oats, at 220 million bushels are somewhat below last year's stocks of 244 million bushels and the 1950-59 average of 263 million. This year's total includes 26 million bushels of unthreshed oats still in the fields.

Barley stocks of 205 million bushels are slightly above the 201 million bushels at the end of March 1959 and are well above the 1950-59 average of 183 million. Farm stocks include an allowance of 26 million bushels for unthreshed barley remaining in the fields over the winter.

GRAIN: Canadian stocks, March 31, 1960, with comparisons

Position	Wheat	Oats	Barley	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
In Canada:				
On farms	317,900	196,500	151,200	6,900
Country elevators	221,606	11,888	26,912	1,921
Interior private and mill elevators	7,259	669	2,303	13
Interior terminal elevators	11,855	161	759	--
Vancouver-New Westminster elevators	9,061	199	2,461	120
Victoria elevator	270	--	1	--
Prince Rupert elevator	--	--	257	--
Churchill elevator	4,871	34	--	--
Fort William-Port Arthur elevators	51,428	5,687	13,782	1,094
Storage afloat	5,380	512	898	112
In transit - rail	18,178	856	1,424	71
Eastern elevators	34,767	3,401	3,889	318
Eastern mills (mill bins only) 1/	2,465	151	19	--
Western mills (mill bins only) 1/	146	6	2/	2
Total in Canada 3/	685,184	220,065	203,906	10,551
In the United States	--	--	810	--
Total in all positions March 31, 1960 3/	685,184	220,065	204,716	10,551
Total March 31, 1959	733,474	244,457	201,281	11,807
1950-59 average	636,823	263,022	182,586	18,062

1/ Excludes small quantities of grain going into ground feed. 2/ Less than 500 bushels. 3/ Preliminary estimates.

From reports of the Dominion Bureau of Statistics.

WORLD WHEAT OUTLOOK GOOD

Another good winter wheat crop is expected in most countries this year. Winter wheat amounts to about 90 percent of total wheat produced outside of North America.

Prospects are for a bumper U. S. crop of 977 million bushels; this would be the fifth largest outturn on record. The outlook is generally good in Western Europe, where in most parts the crop came through the winter in good shape. Incomplete information on Eastern Europe, however, indicates that conditions there are less favorable than at this time last year.

In the 6 countries which in 1959 produced about 90 percent of Western Europe's wheat, conditions are reported as follows:

Winter wheat is in good condition in France, and if weather continues favorable another large crop may be harvested this year despite some reduction in acreage. Moisture supplies are good in Italy and the crop is mostly promising. Acreage, however, is reported smaller than in 1959. In West Germany, winter grains developed well and the outlook has been good, though there is now reported to be some concern over inadequate moisture.

Official United Kingdom reports stated that the condition of the crop on April 1 was generally good though cold weather had slowed growth in most areas. In Spain earlier hopes of a bumper crop are not materializing because of excessive moisture in many parts of the country. Torrential rains in early March, following rainstorms in December, have caused some damage. Wheat acreage in Greece is about 5 percent less than last year because the government has encouraged shifts to other crops. However, prospects for the growing crop were very favorable at latest report.

In Eastern Europe, conditions are reported to be less favorable than last year, especially in Poland and Czechoslovakia. Poland's crop has suffered from extensive winterkill, continued drought, and shortage of fertilizer. In Czechoslovakia, reports indicate that difficulty in seeding the crop reduced acreage and the crop has not come through the winter in good condition. Prospects are generally good in Yugoslavia but not as good as last year, when a record crop was harvested.

The outlook is also less favorable than last year in India, where harvesting is now in progress. Rains and hailstorms caused damage in some areas. While the extent of the damage is not yet known, the wheat outturn is expected to be below the bumper crop of 1959 despite some acreage increase.

Crops are making generally good progress in North Africa.

CANADA EXPECTED TO STRENGTHEN FEED SALE REGULATIONS

A bill (S-27) recently introduced in the Canadian Parliament to control and regulate the sale of certain types of feeds is expected to be approved before the end of the session. It prohibits sale or importation of such feeds unless they have been registered, conform to prescribed standards, and are packaged and labeled as prescribed. Its main objective is the issuance of more specific regulations relative to packaging and labeling, especially regarding amounts of antibiotics and additatives and presentation of information regarding use of the product.

The feeds covered by the bill are those which contain substances or mixtures of substances containing proteins, carbohydrates, fats, minerals, condiments, or vitamins to be fed to livestock directly or in combination with other materials, or to be fed for the purpose of preventing or correcting nutritional disorders of livestock. It does not apply to feeds sold by an individual grower if they are free from harmful substances, or to feeds consisting of whole seeds or grains of cultivated crops.

CANADIAN COTTON CONSUMPTION PICKS UP IN MARCH

Canadian cotton consumption in March, based on the number of bales opened by mills, was 33,000 bales (500 pounds gross). This was 18 percent above the 28,000 bales used in February, although slightly below the 34,000 consumed in March 1959.

Cotton consumption in the first 8 months (August-March) of the current season totaled 231,000 bales--down 7 percent from the 248,000 bales used in the corresponding 1958-59 period.

U. S. COTTON IMPORTS UP SLIGHTLY THIS SEASON

United States imports of cotton for consumption during the first 7 months (August-February) of the 1959-60 season, based on reports of the Bureau of the Census, were 133,000 bales (500 pounds gross)--up 6 percent from imports of 125,000 bales in the corresponding period a year earlier.

Principal sources of the August-February imports this season, all under quota except short harsh Asiatic cotton, with comparable 1958-59 figures in parentheses, were: Egypt 67,000 bales (58,000); Mexico 38,000 (33,000); Peru 15,000 (26,000); Pakistan 7,000 (2,000); India 4,000 (2,000); Sudan 1,000 (1,000); and Brazil 1,000 (1,000).

February imports came to 6,000 bales, consisting mostly of short harsh cotton from Pakistan and India; imports amounted to 2,000 bales in both January 1960 and February 1959. The global long-staple quota (1-1/8 inches and longer) and the country quotas for upland type for Mexico and Brazil, the principal suppliers, have been filled for several months.

ARGENTINA'S 1959-60 COTTON CROP AT 10-YEAR LOW

The 1959-60 cotton crop now being harvested in Argentina is estimated at 450,000 bales (500 pounds gross). This is the smallest crop since 1948-49, and marks the second straight year of declining production.

The crop as estimated is down 2 percent from the 460,000 bales produced in 1958-59, and is 20 percent below average production of 562,000 bales per year in the past 5 seasons. The decline this season is attributed mainly to adverse weather and slightly smaller acreage--1,200,000 acres, compared with 1,225,000 in 1958-59.

Although exports from Argentina during the first 6 months (August-January) of this season amounted to only 1,000 bales, shipments are expected to increase when supplies become available from the incoming crop. However, total exports this season will probably be considerably below the 47,000 bales shipped in 1958-59. Lower production in 1958-59, and again this season, has caused a reduction in exportable supplies. In addition, lower cotton prices on import markets this season have made Argentine cotton less competitive. Principal destinations of Argentine cotton exports normally are West Germany, United Kingdom, Belgium, the Netherlands, and Japan.

Since all Argentine cotton is upland type, extra-long staple cotton is imported to manufacture high count yarns. In August-January 1959-60, 25,000 bales of Pima and Tanguis were imported from Peru.

Cotton consumption, estimated at 204,000 bales during the first 6 months of 1959-60, was 23 percent below the 266,000 bales used in the corresponding period last season. The drop reflected reduced mill activity during a textile strike in September and October 1959. Total consumption this season is estimated at around 500,000 bales, compared with 550,000 in 1958-59.

U. S. IMPORTS MORE COTTON LINTERS IN FEBRUARY

United States imports of cotton linters, mostly felting qualities, were 24,000 bales (500 pounds gross) in February. This was 26 percent above the 19,000 bales imported in January, and 41 percent above the 17,000 in February 1959.

Linters imports during the first 7 months (August-February) of the 1959-60 season amounted to 114,000 bales--8 percent above the 106,000 in the corresponding months a year earlier. Principal sources during August-February 1959-60, with comparable 1958-59 figures in parentheses, were: Mexico 79,000 bales (85,000); U.S.S.R. 18,000 (9,000); El Salvador 5,000 (5,000); Guatemala 4,000 (2,000); Nicaragua 2,000 (4,000); Brazil 1,000 (336); Belgium 1,000 (163); Peru 1,000 (287); Israel 1,000 (140); and Turkey 1,000 (0).

CEYLON'S 1959 COPRA, COCONUT OIL
EXPORTS UP ONE-HALF FROM 1958

Ceylon's exports of copra and coconut oil in 1959 totaled 96,264 long tons, oil basis, an increase of over one-half from those of 1958. Desiccated coconut shipments of 52,490 tons were down 7 percent from 1959. Exports of fresh coconuts were inconsequential for both years.

COPRA AND COCONUT OIL: Ceylon, exports by country of destination, average 1935-39, annual 1958 and 1959

Continent and country of destination	COPRA			COCONUT OIL		
	Average 1935-39	1958	1959 1/	Average 1935-39	1958	1959 1/
	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons
North America:						
Canada	---	---	---	8,523	5,700	9,867
Other	1	---	---	2,119	2,255	2,481
Total	1	---	---	10,642	7,955	12,348
South America	---	---	---	1,433	310	353
Europe:						
Denmark	1,605	---	---	35	---	---
France	354	---	---	347	---	322
Germany, West	2/ 1,482	500	---	2/ 1,200	2,276	12,217
Greece	1,526	---	---	120	---	---
Italy	6,541	---	---	1,724	7,781	14,288
Netherlands	1,929	---	---	1,976	5,172	8,394
Poland	126	---	---	8	1,504	---
Sweden	---	---	---	3,573	---	---
Switzerland	---	---	---	84	410	---
United Kingdom	420	---	---	14,160	2,240	3,449
Other	2,518	1	---	3,930	3/ 105	4/ 4,928
Total	16,501	501	---	27,157	19,488	43,598
Africa:						
Egypt	425	---	---	2,433	1,296	513
Union of South Africa	---	---	---	2,597	330	223
Other	6	---	---	1,354	2,226	1,239
Total	431	---	---	6,384	3,852	1,975
Asia:						
Cyprus	---	---	---	146	---	---
India	5/42,549	26,654	38,008	5/ 10,710	3,169	1,826
Iran	---	126	212	6	2,958	3,954
Iraq	20	115	66	315	250	150
Israel	---	---	---	15	---	---
Pakistan	5/	208	1,122	5/	3,381	3,867
Syria	60	---	215	164	10	415
Other	365	96	6/ 2,986	1,885	7/ 2,963	8/ 924
Total	42,994	27,199	42,609	13,241	12,731	11,136
Oceania	---	---	---	154	---	10
Grand total	59,927	27,700	42,609	9/ 59,013	44,336	69,420

1/ Preliminary.
2/ Total Germany.
3/ All to Finland.
4/ 15 tons to Finland, 389 tons to Belgium, 3,499 tons to Lithuania and 1,025 tons to U.S.S.R.
5/ Pakistan included with India.
6/ Includes 2,617 tons to Mainland China.
7/ Includes 2,800 tons to Mainland China.
8/ Includes 200 tons to Mainland China.
9/ Includes 2 tons to ships' stores.

Compiled from official sources.

ANTARCTIC WHALE OIL OUTPUT UP SLIGHTLY

Whale oil production in the 1959-60 Antarctic pelagic season was up slightly from the previous year. A sharp increase in U.S.S.R. output, and small increases by the United Kingdom and the Netherlands more than offset the smaller Norwegian output. The whale catch and outturn of oil in the last 2 seasons was as follows:

Country	Blue whale units		Whale oil production	
	1958-59	1959-60	1958-59	1959-60
	Units	Units	Short tons	Short tons
Norway	5,782	4,565	133,059	109,834
Japan	5,038	5,217	102,713	102,894
United Kingdom	1,862	1,898	41,442	43,745
Soviet Union	1,601	2,789	37,431	1/ 62,500
Netherlands	966	2/ 968	21,036	25,910
Total	15,249	15,437	335,681	344,883

1/ Estimated on the basis of blue whale units. 2/ Catch through March 26.

Prior to the 1959-60 season, the Soviet Union had only 1 expedition; in 1959-60 it had 2 expeditions, and it hopes to have 3 next year. Norway had 8 expeditions in 1959-60 (1 less than in recent years). Japan had 6 expeditions, the United Kingdom 3, and the Netherlands 1--the same as in 1958-59.

The 1959-60 Antarctic catching season began December 27, 1959, 11 days earlier than in 1958-59. Unlike previous years, when the International Whaling Convention determined the ending date for the season, participating countries ceased operations on the advice of their respective governments. The final day for Japan was March 26; the Soviet Union, March 31; Norway and the United Kingdom, April 7; and the Netherlands, April 15.

BELGIAN CONGO'S 1959 EXPORTS OF PALM KERNELS AND OILS LARGER

The Belgian Congo's exports of palm oil, palm kernel oil, and palm kernels continued to expand in 1959 despite political uncertainties. Although a further increase is indicated for 1960, the possibility that production and exports will be affected when the country becomes independent (June 30) precludes meaningful forecasts.

Palm oil exports in 1959 were 202,272 short tons, up 12 percent from 1958. Belgium, West Germany, Italy, and the United States are the major markets for the Belgian Congo's palm oil. Exports of palm kernel oil--largely to the same destinations as palm oil--totaled 66,799 tons, 5 percent above the previous year. Palm kernel exports last year, at 43,872 tons, were up 4 percent from 1958. Belgium and the Netherlands take most of the palm kernels exported.

SWEDISH RAPESEED OUTPUT
DROPS SHARPLY

The Swedish rapeseed crop soon to be harvested is forecast at 80,000 short tons--down 45 percent from the 1958-59 crop of 142,860 tons. Dry weather at planting time last fall materially reduced the area sown and caused poor stands (see Foreign Crops and Markets of January 11, 1960). There are indications that winter loss was above average in some areas, and this could reduce the outturn somewhat from the above forecast.

Exports of rapeseed and oil probably will be negligible this year because of the reduced crop. In 1959, 42,906 tons of rapeseed and 9,959 tons of rapeseed oil were exported.

Imports of oilseeds, on the other hand, are expected to expand materially. Normally, Sweden imports around 75,000 tons of copra annually, and only small quantities of other oilseeds. This year copra imports should be maintained, and soybean imports are expected to be large--possibly 500,000 bushels--in order to supply the Swedish crushing industry. However, soybean imports are not expected until late in the year and could be postponed until early next year, since large stocks of rapeseed from the current crop will be on hand to meet crushing needs for some time.

Crushings of domestic and imported oil-bearing materials have averaged around 180,000 tons annually in recent years.

MOZAMBIQUE'S COPRA EXPORTS DOWN
IN 1959; TUNG LACKS MARKETS

Mozambique exported 41,489 short tons of copra in 1959, compared with 48,907 tons in 1958. Continental markets--mainly Norway, West Germany, France, and Italy--absorb most of the exports.

Copra continues to be of major economic importance among oil-bearing materials produced in the province. Average annual output is about 30,000 tons from European production and 20,000 tons from African. The Department of Agriculture is experimenting with "dwarf" coconut trees, reputed to have high yields and to afford easy picking.

Peanuts and sunflower seed are gaining increasing acceptance among European farmers. Peanuts, however, are primarily an African-grown subsistence crop, output of which has been about 38,000 tons in recent years. Sunflower trials at the Umbeluzi Experiment Station, near Lourenco Marques, have been carried out for a number of years. In the last 5 years production has averaged about 855 short tons, most of which has been exported to Europe. Also at Umbeluzi, soybeans, sesame seed, and castor beans are being studied with a view to commercial production.

(Continued on following page)

Attention recently has been focused on the Mozambique tung situation. Large acreages under tung reportedly have been abandoned because there is no organized domestic industry and export markets are not being systematically developed. For several years, lack of good markets has forced farmers to burn their stocks of tung nuts. Only a small number of organized plantations exist in the province and these are in a state of neglect. Production from these plantations does not exceed 1,000 tons annually.

WEST GERMAN IMPORTS OF U.S. SOYBEANS SET RECORD; VEGETABLE OIL IMPORTS UP

The United States supplied 36 percent or 223,100 metric tons of West Germany's total 1959 imports of 628,900 metric tons of edible vegetable oils and oilseeds in terms of oil. Total imports, both edible and industrial, were 796,100 tons.

Soybeans are West Germany's most important agricultural import from the United States, and West Germany is the most important market for U.S. soybeans in Western Europe. German imports of U.S. soybeans in the first 5 months of the current marketing year (October-February) were one-fourth higher than in the corresponding period of 1958-59, and totaled 406,727 metric tons.

In calendar year 1959, West German imports of U.S. soybeans also increased one-fourth, rising to 674,623 tons from 536,638 in 1958. However, total German soybean imports in 1959 rose 46 percent to 903,283 metric tons, compared with 616,665 tons in 1958. The U.S. share of the total fell from 87 percent in 1958 to 75 percent in 1959. In 1957, when the Japanese market was open to Mainland China's soybeans, the United States supplied nearly all of West Germany's soybean imports. German imports of Chinese soybeans nearly tripled in 1959, rising to 225,765 metric tons from 78,702 the previous year.

West German imports of U.S. cottonseed oil more than doubled in 1959, increasing to 100,905 metric tons from 42,408 in 1958, but were still below the 1957 record of 118,290 tons. The United States supplied 95 percent of German cottonseed oil imports in 1959, 85 percent in 1958, and nearly 100 percent in 1957.

Shipments of U.S. soybean oil to West Germany in 1959 spiraled to 7,505 metric tons from only 1,892 in 1958 but were still well below the 11,729 tons in 1957. However, in 1959 the United States supplied 53 percent of all German soybean oil imports, compared with 19 percent in 1958 and 44 percent in 1957.

West Germany also imported a large volume of U.S. industrial oils, including 44,982 metric tons of linseed oil which constituted 51 percent of total linseed oil imports. This amount of linseed oil compares with 50,447 tons or 66 percent of the total in 1958, and 59,125 tons or 67 percent in 1957. In 1959, West Germany took 1,000 metric tons of U.S. tung oil, and 22,857 tons of U.S. whale oil and other marine fats and oils.

DENMARK'S 1959 OILSEED IMPORTS RISE SHARPLY

Denmark stepped up oilseed imports by over 40 percent in 1959 to satisfy the rising demand for vegetable oils and oilcakes. Imports of oil-bearing materials--including copra and palm kernels--rose to 364,454 metric tons from 255,659 metric tons in 1958.

Virtually all of this increase was in soybeans from the United States and Mainland China. Imports of this oilseed increased nearly 60 percent from 181,575 tons in 1958 to 287,992 tons in 1959. Imports of U. S. soybeans jumped from 136,041 tons to 169,412 tons, while imports of Chinese soybeans spiraled from only 45,527 tons to 118,492 tons. Despite the continuous competitive position of U. S. soybeans in world markets, the main reason given for the increase in imports from China was that prices for Chinese soybeans in many instances were lower than for beans from other sources.

Domestic production of oilseeds was up more than 50 percent, but still remained only around 5 percent of total supply. A slight expansion in area and higher yields per acre, despite last summer's drought, resulted in higher production of both rapeseed and mustard seed.

The ample supplies of oilseeds available during 1959 were primarily all used for crushing, but small quantities of flaxseed were used directly as admixture to cattle feed compounds to augment the fat content of the solvent-extracted oilcakes produced.

LITTLE CHANGE IN VOLUME OF CANADIAN WHEAT AND FLOUR EXPORTS

Canadian wheat and flour exports during the first 8 months (July-February) of 1959-60 totaled 190 million bushels, approximately the same as those in the comparable period a year earlier. Flour exports increased slightly, while wheat exports were down somewhat (see table on following page).

Wheat exports to Peru increased by 1.9 million bushels, to Italy by 1.6 million, and to Japan by 3.1 million. Exports of 4.5 million bushels were made to Poland, 2 million bushels to Iraq, and 1.8 million bushels to Algeria; none went to these countries during the first 8 months of the previous year. However, these gains were more than offset by reductions of 10 million bushels in exports to the United Kingdom, of 2 million to West Germany, and of 3.6 million to the Netherlands.

Total exports of wheat and flour during the first 8 months (August-March) of the 1959-60 Canadian marketing year are estimated to be about 3.5 million bushels more than the 188.4 million exported during the corresponding months in 1958-59.

WHEAT AND FLOUR: Canadian exports by country of destination, July-February 1958-59 and July-February 1959-60

Country of destination	July-February 1958-59			July-February 1959-60		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Western Hemisphere:						
United States	2,177	1,097	3,274	552	978	1,530
British West Indies	5	3,290	3,295	1	3,690	3,691
Central America	102	1,229	1,331	80	1,302	1,382
Colombia	—	286	286	808	3	811
Cuba	1	199	200	1	134	135
Peru	794	19	813	2,722	5	2,727
Venezuela	1,746	970	2,716	2,321	3	2,324
Others	626	965	1,591	464	678	1,142
Total	5,451	8,055	13,506	6,949	6,793	13,742
Europe:						
Austria	1,772	—	1,772	2,300	—	2,300
Belgium-Luxembourg	8,208	215	8,423	7,802	65	7,867
France	1,088	—	1,088	2,769	—	2,769
Germany, West	21,440	—	21,440	19,452	—	19,452
Ireland	3,224	—	3,224	1,038	—	1,038
Italy	523	1	524	2,142	—	2,142
Netherlands	9,439	6	9,445	5,794	2	5,796
Norway	2,617	—	2,617	2,427	—	2,427
Poland	—	—	—	4,466	—	4,466
Switzerland	4,724	—	4,724	4,734	—	4,734
United Kingdom	62,673	8,728	71,401	52,715	9,306	62,021
Others	1,183	92	1,275	1,700	82	1,782
Total	116,891	9,042	125,933	107,339	9,455	116,794
Asia:						
Ceylon	—	1,371	1,371	—	772	772
China, Mainland	1,643	—	1,643	—	—	—
India	6,665	2	6,667	5,940	—	5,940
Iraq	—	—	—	2,033	—	2,033
Japan	25,454	447	25,901	28,573	823	29,396
Pakistan	2,327	—	2,327	3,139	2/	3,139
Philippines	766	2,928	3,694	1,121	3,073	4,194
Others	1,303	1,180	2,483	1,675	1,828	3,503
Total	38,158	5,928	44,086	42,481	6,496	48,977
Africa:						
Algeria	—	—	—	1,812	—	1,812
Ghana	—	483	483	—	1,115	1,115
Union of South Africa	2,873	—	2,873	2,787	—	2,787
Others	220	695	915	165	1,057	1,222
Total	3,093	1,178	4,271	4,764	2,172	6,936
Oceania	—	10	10	—	13	13
Unspecified 3/	3,015	—	3,015	3,569	—	3,569
World total	166,608	24,213	190,821	165,102	24,929	190,031

1/ Grain equivalent. 2/ Less than 500 bushels. 3/ Includes seed wheat.

Source: Board of Grain Commissioners for Canada.

BAHIA (BRAZIL) CASTOR BEAN PROSPECTS GOOD; HARVESTING DELAYED

Castor bean crop prospects in Bahia--the state that normally accounts for about 40 percent of Brazil's total castor bean production--continue to be good despite heavy unseasonal rains early in March in several sections. However, the harvest which normally would be in full swing by early April has been delayed, and transport has been interrupted. As castor beans are usually planted on high ground, away from rivers, flood damage has been negligible.

Harvesting delay has forced local oil processors to close down in many cases, and local crushers are finding it difficult to obtain supplies to keep their factories in operation. Therefore, there is little possibility that any castor beans will be exported for the time being.

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